

CREDIT CORPORATION PNG **2021 AGM**

25 June 2021





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DIRECTORS





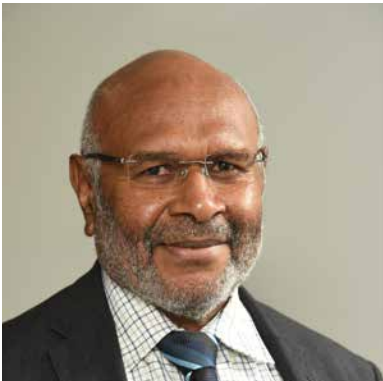
Syd Yates OBE
FAICD
Chairman



Faye-Zina Lalo
LLB (UPNG), MBA (UPNG), PNGID
Director



Richard Sinamoi
B.AppSc (UWS)
Director



Dr Albert Mellam
PhD.Psy (ANU), MSc (Stirling Uni),
GDip. Eco (SMU)
Director



Abigail Chang
MScID (Birmingham), PgDip (Monash),
BA (USP), MAICD
Director



Stephen Humphries
BSc (Combined Honours) (UAB), CA
Appointed 15/04/2021
Director



SUBSIDIARY BOARD MEMBERS AND MANAGEMENT

SUBSIDIARY BOARD:

Ms Abigail Chang	CC Fiji Board
Mr Henry Kapu	CC Solomon Islands Board
Mr Denton Rarawa	CC Solomon Islands Board
Mr William Parkinson	CC Fiji Board
Mr Ashleigh Matheson	CC Vanuatu Limited
Mr Steve Adams	CC Vanuatu Limited
Mr Peter Dixon	CC Vanuatu Limited

MANAGEMENT:

Mr Danny Robinson	Interim Group Chief Executive Officer
Mr Jeff Undah	Group Chief Financial Officer
Mr Dan Hallam	Head of Lending
Ms Emily Polum	Head of Credit Risk
Mr Peter Dixon	Managing Director, CC Fiji
Mr Ronald Prasad	Country Manager, CC Solomon Islands
Mr Mohammed Nawaz	Country Manager, CC Vanuatu
Mr Chris Durman	Country Head, CC Timor-Leste
Ms Marilyn Saroa	Acting Company Secretary



PROXY TALLY

- » Proxies have been received for this meeting representing 56.96% (175,384,669) of the company's issued shares.



ORDER OF MEETING

1. Chairman's Remarks
2. CEO's Remarks
3. Business per the Notice of Meeting
4. Any other Business & Questions
5. Close

WELCOME AND CHAIRMAN'S OPENING REMARKS



CHIEF EXECUTIVE OFFICER'S REMARKS





SHARING OUR SUCCESS

- » A total dividend of 18 toea per share, including a special dividend of 12.2 toea per share in FY20
- » The Board elected to pass through all net proceeds from the dividend received from its investment in Bank of South Pacific to shareholders
- » The final FY20 dividend of 5.8 toea represents a full year payout ratio of 70% of core operating profit
- » This continues our strong track record of dividend payments over the past 42 years



OUR ACHIEVEMENTS

- » Maintained a strong commitment to supporting small businesses, especially the PNG SME market
- » Supported customers who requested loan repayment referrals during 2020
- » Most of those customers have now recommenced their normal loan repayments, or are at least paying monthly interest
- » Committed to retaining all of our people in the face of the challenges of 2020

KEY FINANCIAL METRICS

CORE OPERATING
PROFIT

K25.66M

↓ down 76%



NET PROFIT
AFTER TAX

K22.00M

↓ down 83%



K548M

Funding
↑ up 3%

Leverage

32.6%

Total Risk
Weighted Capital
↑ 90bps



Liquidity

K234M

Cash position
↑ up 67%



K119M

Impairment provision
↑ K55m



FINANCE DIVISION

- » Net loss of K6 million (FY19 — NPAT K37 million)



PROPERTY DIVISION

- » Core profits reduced to K12 million (FY19 — K17.6 million)



INVESTMENT DIVISION

- » Valuation of shares in Bank South Pacific (BSP) increased by 1.6%



STRATEGIC PRIORITY — TECHNOLOGY

Our technology initiatives include:

- » Ongoing investment in IT platforms across all jurisdictions and rolled out a standard operating environment
- » Improving and automating our business processes:
- » Upgraded lending system in Vanuatu and Solomon Islands
- » Improved server infrastructure across all jurisdictions
- » Extended our security work, improving backup and increasing our disaster recovery capability
- » Implementing online performance management, and learning and development system for the business



STRATEGIC INITIATIVES UNDERWAY

Other Strategic Initiatives include:

- » Enhancing the Group's funding strategy
- » Improving marketing initiatives for Credit Corporation properties
- » Ongoing review of our investment portfolio
- » Improving governance and risk oversight for the Group and its subsidiaries

CONFIRMATION OF THE MEETING MINUTES OF SHAREHOLDER HELD ON 25 JUNE 2020





ITEM 1 — ANNUAL REPORT FOR 2020

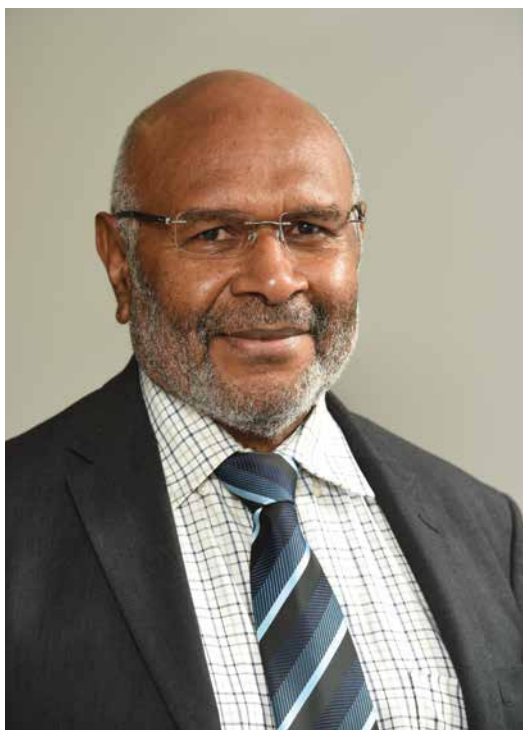
To receive the Financial Statements for the year ended 31st December 2020 and the Reports of the Directors and Auditors thereon.

ITEM 2: RE-ELECTION OF DIRECTORS

- (a) pursuant to Article 66 of the Constitution, Professor Albert Mellam, retires by rotation and is eligible for re-election; and
- (b) pursuant to Article 64(4) and (5) of the Constitution, Mr Stephen Humphries, being eligible for re-election.

ITEM 2: RE-ELECTION OF DIRECTORS (continued)

Item 2(a) Re-election of Professor Albert Mellam



Dr. Mellam was appointed by the Board on the 19th of August 2013.

He has served 7 years 9 months, which is more than 2 terms on the Board of the Company.

Dr Mellam was the immediate past Vice Chancellor of University of Papua New Guinea.

He is the Executive Director at the Chambers of Mines & Petroleum and sits on several other Boards including Nambawan Super Limited and Kumul Consolidated Holdings.

He currently is also a member of the professional organizations including the Global Development Network, the PNG and the Australian Institutes of Directors, and the Association of Asia-Pacific Business Schools



PROXY VOTES FOR ITEM 2 (a)

Ordinary Resolution — Re-election of Professor Albert Mellam as a Director

Proxy votes FOR the resolution	126,765,379
Proxy votes AGAINST the resolution	48,619,290
Proxy votes ABSTAIN	0
Proxy votes OPEN	0

Item 2(b) Re-election of Mr Stephen Humphries



Mr Stephen Humphries was appointed to the Board on 15 April 2021 as a Non-Executive and Independent Director.

His appointment was announced by the Company and became effective 22 April 2021.

He brings significant leadership experience across a wide range of businesses, across multiple jurisdictions including UK, Australia, NZ, PNG, Indonesia and South East Asia.

He has held Senior and Managing Partner roles with PWC in PNG, Indonesia and Australia. His specialist assurance experience includes heavy engineering and construction, mining, technology, industrial products and telecommunications.

He has also had significant experience across a broad spectrum of ASX 100 and large private companies



PROXY VOTES FOR ITEM 2 (b)

Ordinary Resolution — Re-election of Mr Stephen Humphries as a Director

Proxy votes FOR the resolution	64,666,012
Proxy votes AGAINST the resolution	48,619,290
Proxy votes ABSTAIN	62,099,367
Proxy votes OPEN	0



ITEM 3: TO APPOINT AUDITORS FOR 2021

To appoint KPMG as the Auditor for the Company commencing at the end of this meeting until the next Annual General Meeting of the Company and that the Board is authorised to fix the auditor's remuneration.



PROXY VOTES FOR ITEM 3

Ordinary Business — Appointment of Auditor for 2021

Proxy votes FOR the resolution	175,384,669
Proxy votes AGAINST the resolution	0
Proxy votes ABSTAIN	0
Proxy votes OPEN	0

ITEM 4: TISA SHAREHOLDER PROPOSAL

Pursuant to Schedule 2(8) of the Companies Act 1997, Teachers Savings and Loan Society Limited proposes that the shareholders consider and vote on the following resolutions.

The approval of the resolutions are conditional on Independent Directors being in the majority in accordance with Article 64(2) of the Company's Constitution.

- (a) That Sydney Yates be removed as a Director of the Company.
- (b) His consent having been provided to the Company, that subject to satisfying the fit and proper requirements for responsible persons prescribed by Prudential Standard BPS310 issued by the Bank of Papua New Guinea, Mr Melchior Togolo be appointed as a Director of the Company.
- (c) His consent having been provided to the Company, that subject to satisfying the fit and proper requirements for responsible persons prescribed by Prudential Standard BPS310 issued by the Bank of Papua New Guinea, Mr Igumu Momo be appointed as a Director of the Company.

ITEM 4 (a): RESOLUTION FOR REMOVAL OF MR SYDNEY YATES AS A DIRECTOR



Mr Sydney Yates was appointed by the Board on 21 May 2018 as a Non-Executive and Independent Director, and was elected as Chairman of the Board on 27 November 2018.

Mr Yates continues to have the full support and confidence of the Board. The overwhelming majority of votes cast by shareholders were in favour of his re-election (79.68%) at the 2020 Annual General Meeting.

Mr Yates is an experienced and respected Executive and Director with more than 30 years' experience in the banking, finance and investment industries.



PROXY VOTES FOR ITEM 4 (a)

Ordinary Business — Resolution for removal of Mr Sydney Yates as a Director

Proxy votes FOR the resolution	110,730,733
Proxy votes AGAINST the resolution	64,625,204
Proxy votes ABSTAIN	28,732
Proxy votes OPEN	0



ITEM 4 (b) RESOLUTION FOR APPOINTMENT OF MR MELCHIOR TOGOLO AS DIRECTOR

With respect to the Proposal, the Board notes the following:

- **(No supporting reasons provided by TISA)** No reasons have been provided by TISA in support of the appointment of Mr Melchior Togolo as Director of the Company.



PROXY VOTES FOR ITEM 4 (b)

Ordinary Business — Resolution for appointment of Mr Melchior Togolo as Director

Proxy votes FOR the resolution	110,751,733
Proxy votes AGAINST the resolution	64,602,463
Proxy votes ABSTAIN	30,473
Proxy votes OPEN	0



ITEM 4 (c): RESOLUTION FOR APPOINTMENT OF MR IGUMU MOMO AS DIRECTOR

With respect to the Proposal, the Board notes the following:

- **(Independence of proposed Directors unclear)** It is unclear whether Mr Igumu Momo nominated by TISA will be an Independent Director.



PROXY VOTES FOR ITEM 4 (c)

Ordinary Business — Resolution for appointment of Mr Igumu Momo as Director

Proxy votes FOR the resolution	48,631,366
Proxy votes AGAINST the resolution	64,623,463
Proxy votes ABSTAIN	62,129,840
Proxy votes OPEN	0

ANY OTHER BUSINESS AND QUESTIONS





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